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DEPARTMENT OF AGRICULTURE

National Institute of Food and Agriculture

7 CFR Part 3430

RIN 0524-AA65

**Competitive and Noncompetitive Non-formula Federal
Assistance Programs - Specific Administrative Provisions
for the Food Insecurity Nutrition Incentive Grants Program**

AGENCY: National Institute of Food and Agriculture, USDA.

ACTION: Final rule.

SUMMARY: The National Institute of Food and Agriculture (NIFA) is publishing a final rule for the Food Insecurity Nutrition Incentive Grants Program. This final rule adds a subpart entitled "Food Insecurity Nutrition Incentive Grants Program" to the part entitled "Competitive and Noncompetitive Non-formula Federal Assistance Programs - General Award Administrative Provisions".

DATES: This final rule becomes effective on [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

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SUPPLEMENTARY INFORMATION:

I. Background and Summary

Authority

The Food Insecurity Nutrition Incentive Program (FINI) is authorized under section 4405 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 7517), as added by section 4208 of the Agricultural Act of 2014 (Pub. L. 113-79).

Organization of 7 CFR Part 3430

A primary function of NIFA is the fair, effective, and efficient administration of Federal assistance programs implementing agricultural research, education, and extension programs. The awards made under the above authority are subject to the NIFA assistance regulations at 7 CFR part 3430, Competitive and Noncompetitive Non-formula Federal Assistance Programs – General Award Administrative Provisions. NIFA's development and publication of this part serve to enhance its accountability and to standardize procedures across the Federal assistance programs it administers while providing transparency to the public. NIFA published 7 CFR part 3430 with subparts A through E as a final rule on September 4, 2009 [74 FR 45736-45752]. These regulations apply to all Federal assistance programs

administered by NIFA except for the capacity grant programs identified in 7 CFR 3430.1(f), the Small Business Innovation Research programs, with implementing regulations at 7 CFR part 3403, and the Veterinary Medicine Loan Repayment Program, with implementing regulations at 7 CFR part 3431.

NIFA organized part 3430 as follows: subparts A through E provide administrative provisions for all competitive and noncompetitive non-capacity Federal assistance programs. Subparts F and thereafter apply to specific NIFA programs.

NIFA is, to the extent practical, using the following subpart template for each program authority: (1) applicability of regulations; (2) purpose; (3) definitions (those in addition to or different from § 3430.2); (4) eligibility; (5) project types and priorities; (6) funding restrictions; and (7) matching requirements. Subparts F and thereafter contain the above seven components in this order. Additional sections may be added for a specific program if there are additional requirements or a need for additional rules for the program (e.g., additional reporting requirements). Through this rulemaking, NIFA is adding subpart P for the administrative provisions that are specific to the FINI program.

II. Administrative Requirements for the Rulemaking

Executive Order 12866

This action has been determined to be not significant for purposes of Executive Order 12866. The rule will not create a serious inconsistency or otherwise interfere with an action taken or planned by another agency; nor will it materially alter the budgetary impact of entitlements, grants, user fees, or loan programs; nor will it have an annual effect on the economy of \$100 million or more; nor will it adversely affect the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or Tribal governments or communities in a material way. Further, it does not raise a novel legal or policy issue arising out of legal mandates, the President's priorities, or principles set forth in the Executive Order.

Regulatory Flexibility Act of 1980

This final rule has been reviewed in accordance with the Regulatory Flexibility Act of 1980, as amended by the Small Business Regulatory Enforcement Fairness Act of 1996, (5 U.S.C. 601-612). The Department certifies that this final rule will not have a significant economic impact on a substantial number of small entities. The rule does not involve regulatory and informational requirements regarding

businesses, organizations, and governmental jurisdictions subject to regulation.

Paperwork Reduction Act

The Department certifies that this final rule has been assessed in accordance with the requirements of the Paperwork Reduction Act, 44 U.S.C. 3501 et seq. The Department concludes that this final rule does not impose any new information requirements or increase the burden hours. In addition to the SF-424 form families (i.e., Research and Related and Mandatory) and the SF-425 Federal Financial Report (FFR) No. 0348-0061, NIFA has three currently approved OMB information collections associated with this rulemaking: OMB Information Collection No. 0524-0042, NIFA REEport; No. 0524-0041, NIFA Application Review Process; and No. 0524-0026, Assurance of Compliance with the Department of Agriculture Regulations Assuring Civil Rights Compliance and Organizational Information.

Catalog of Federal Domestic Assistance

This final rule applies to the following Federal financial assistance programs administered by NIFA: CFDA No. 10.331 Food Insecurity Nutrition Incentive Grants Program.

Unfunded Mandates Reform Act of 1995 and Executive Order
13132

The Department has reviewed this final rule in accordance with the requirements of Executive Order No. 13132 and the Unfunded Mandates Reform Act of 1995, 2 U.S.C. 1501 et seq., and has found no potential or substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. As there is no Federal mandate contained herein that could result in increased expenditures by State, local, or tribal governments, or by the private sector, the Department has not prepared a budgetary impact statement.

Clarity of This Regulation

Executive Order 12866 and the President's Memorandum of June 1, 1998, require each agency to write all rules in plain language. The Department invites comments on how to make this final rule easier to understand.

List of Subjects in 7 CFR Part 3430

Administrative practice and procedure, Agricultural research, Grant programs-agriculture, Privacy, Reporting and recordkeeping requirements.

Accordingly, 7 CFR part 3430 is amended as set forth below:

PART 3430 - COMPETITIVE AND NONCOMPETITIVE NON-FORMULA
FEDERAL ASSISTANCE PROGRAMS - GENERAL AWARD ADMINISTRATIVE
PROVISIONS

1. The authority citation for part 3430 continues to read as follows:

Authority: 7 U.S.C. 3316; Pub. L. 106-107 (31 U.S.C. 6101 note).

2. Add subpart P to read as follows:

Subpart P - Food Insecurity Nutrition Incentive Program
Sec.

3430.1100 Applicability of regulations.

3430.1101 Purpose.

3430.1102 Definitions.

3430.1103 Eligibility.

3430.1104 Project types and priorities.

3430.1105 Funding restrictions.

3430.1106 Matching requirements.

3430.1107 Program requirements.

3430.1108 Priorities.

Subpart P - Food Insecurity Nutrition Incentive Program

§ 3430.1100 Applicability of regulations.

The regulations in this subpart apply to the Food Insecurity Nutrition Incentive (FINI) grants program authorized under section 4405 of the Food, Conservation,

and Energy Act of 2008 (7 U.S.C. 7517), as added by section 4208 of the Agricultural Act of 2014 (Pub. L. 113-79).

§ 3430.1101 Purpose.

The primary goal of the FINI grants program is to fund and evaluate projects intended to increase the purchase of fruits and vegetables by low-income consumers participating in Supplemental Nutrition Assistance Program (SNAP) by providing incentives at the point of purchase.

§ 3430.1102 Definitions.

The definitions applicable to the FINI grants program under this subpart include:

Community food assessment means a collaborative and participatory process that systematically examines a broad range of community food issues and assets, so as to inform change actions to make the community more food secure.

Emergency feeding organization means a public or nonprofit organization that administers activities and projects (including the activities and projects of a charitable institution, a food bank, a food pantry, a hunger relief center, a soup kitchen, or a similar public or private nonprofit eligible recipient agency) providing nutrition assistance to relieve situations of emergency and distress through the provision of food to needy persons,

including low-income and unemployed persons. (See 7 U.S.C. 7501).

Exemplary practices means high quality community food security work that emphasizes food security, nutritional quality, environmental stewardship, and economic and social equity.

Expert reviewers means individuals selected from among those recognized as uniquely qualified by training and experience in their respective fields to give expert advice on the merit of grant applications in such fields who evaluate eligible proposals submitted to this program in their respective area(s) of expertise.

Food security means access to affordable, nutritious, and culturally appropriate food for all people at all times.

Fruits and vegetables means, for the purposes of the incentives provided under these grants, any variety of fresh, canned, dried, or frozen whole or cut fruits and vegetables without added sugars, fats or oils, and salt (i.e. sodium).

Logic model means a systematic and visual way to present and share an understanding of the relationships among resources available to operate a program, and includes: planned activities and anticipated results; and

the presentation of the resources, inputs, activities, outputs, outcomes and impacts.

Outcomes means the changes in the wellbeing of individuals that can be attributed to a particular project, program, or policy, or that a program hopes to achieve over time. They indicate a measurable change in participant knowledge, attitudes, or behaviors.

Process evaluation means examining program activities in terms of:

- (1) The age, sex, race, occupation, or other demographic variables of the target population;
- (2) The program's organization, funding, and staffing; and
- (3) The program's location and timing. Process evaluation focuses on program activities rather than outcomes.

PromiseZone refers to designated high-poverty communities "where the federal government will partner with and invest in communities to create jobs, leverage private investment, increase economic activity, expand educational opportunities, and improve public safety." See <https://www.hudexchange.info/programs/promise-zones/>.

Nonprofit organization means a special type of organization that has been organized to meet specific tax-

exempt purposes. To qualify for nonprofit status, your organization must be formed to benefit:

- (1) The public;
- (2) A specific group of individuals; or
- (3) The membership of the nonprofit.

StrikeForce means the "USDA's StrikeForce Initiative for Rural Growth and Opportunity, which works to address the unique set of challenges faced by many of America's rural communities. Through StrikeForce, USDA is leveraging resources and collaborating with partners and stakeholders to improve economic opportunity and quality of life in these areas. See http://www.usda.gov/wps/portal/usda/usdahome?navid=STRIKE_FORCE for more information.

Supplemental Nutrition Assistance Program (SNAP) means the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.).

Value chain means adding value to a product, including production, marketing, and the provision of after-sales service and incorporating fair pricing to farms. It also involves keeping the final pricing to customers within competitive range. Value chain development, therefore, is a process of building relationships between supplier and

buyer that are reciprocal and win-win; instead of always striving to buy at lowest cost.

§3430.1103 Eligibility.

(a) In general. Eligibility to receive a grant under this subpart is limited to government agencies and nonprofit organizations. All applicants must demonstrate in their application that they are a government agency or nonprofit organization. Eligible government agencies and nonprofit organizations may include:

- (1) An emergency feeding organization;
- (2) An agricultural cooperative;
- (3) A producer network or association;
- (4) A community health organization;
- (5) A public benefit corporation;
- (6) An economic development corporation;
- (7) A farmers' market;
- (8) A community-supported agriculture program;
- (9) A buying club;
- (10) A SNAP-authorized retailer; and
- (11) A State, local, or tribal agency.

(b) Further eligibility requirements--(1) Related to projects. To be eligible to receive a grant under this subpart, applicants must propose projects that:

- (i) Have the support of the State SNAP agency;

(ii) Would increase the purchase of fruits and vegetables by low-income consumers participating in SNAP by providing incentives at the point of purchase;

(iii) Operate through authorized SNAP retailers and comply with all relevant SNAP regulations and operating requirements;

(iv) Agree to participate in the FINI comprehensive program evaluation;

(v) Ensure that the same terms and conditions apply to purchases made by individuals with SNAP benefits and with incentives under the FINI grants program as apply to purchases made by individuals who are not members of households receiving benefits as provided in § 278.2(b) of this title; and

(vi) Include effective and efficient technologies for benefit redemption systems that may be replicated in other States and communities.

(2) Related to experience and other competencies. To be eligible to receive a grant under this subpart, applicants must meet the following requirements:

(i) Have experience:

(A) In efforts to reduce food insecurity in the community, including food distribution, improving access to services, or coordinating services and programs; or

(B) With the SNAP program;

(ii) Demonstrate competency to implement a project, provide fiscal accountability, collect data, and prepare reports and other necessary documentation;

(iii) Secure the commitment of the State SNAP agency to cooperate with the project; and

(iv) Possess a demonstrated willingness to share information with researchers, evaluators (including the independent evaluator for the program), practitioners, and other interested parties, including a plan for dissemination of results to stakeholders.

(c) Other, non-eligibility considerations. Applicants are encouraged:

(1) To propose projects that will provide employees with important job skills; and

(2) To have experience the following areas:

(i) Community food work, particularly concerning small and medium-size farms, including the provision of food to people in low-income communities and the development of new markets in low-income communities for agricultural producers; and

(ii) Job training and business development activities for food-related activities in low-income communities.

(d) Partnerships. Applicants for a grant under this subpart are encouraged to seek and create partnerships with public or private, nonprofit or for-profit entities, including links with academic institutions (including minority-serving colleges and universities) or other appropriate professionals; community-based organizations; local government entities; PromiseZone lead applicant/organization or implementation partners; and StrikeForce area coordinators or partnering entities for the purposes of providing additional Federal resources and strengthening under-resourced communities. Only the applicant must meet the requirements specified in this section for grant eligibility. Project partners and collaborators need not meet the eligibility requirements.

§ 3430.1104 Project types and priorities.

(a) FINI Pilot Projects (FPP). FPPs are aimed at new entrants seeking funding for a project in the early stages of incentive program development.

(b) FINI Projects (FP). FPs are aimed at mid-sized groups developing incentive programs at the local or State level.

(c) FINI Large Scale Projects (FLSP). FLSPs are aimed at groups developing multi-county, State, and regional

incentive programs with the largest target audience of all FINI projects.

§ 3430.1105 Funding restrictions.

(a) Construction. Funds made available for grants under this subpart shall not be used for the construction of a new building or facility or the acquisition, expansion, remodeling, or alteration of an existing building or facility (including site grading and improvement, and architect fees).

(b) Indirect costs. Subject to § 3430.54, indirect costs are allowable.

§ 3430.1106 Matching requirements.

(a) In general. Recipients of a grant under this subpart must provide matching contributions on a dollar-for-dollar basis for all Federal funds awarded.

(b) Source and type. The non-Federal share of the cost of a project funded by a grant under this subpart may be provided by a State or local government or a private source. The matching requirement in this section may be met through cash or in-kind contributions, including third-party in-kind contributions fairly evaluated, including facilities, equipment, or services.

(c) Limitation. If an applicant partners with a for-profit entity, the non-Federal share that is required to be

provided by the applicant may not include the services of an employee of that for-profit entity, including salaries paid or expenses covered by that employer.

(d) Indirect costs. Use of indirect costs as in-kind matching contributions is subject to § 3430.52(b).

§ 3430.1107 Program requirements.

The term of a grant under this subpart may not exceed 5 years. No-cost extensions of time beyond the maximum award terms will not be considered or granted.

§ 3430.1108 Priorities.

(a) In general. Except as provided in paragraph (b) of this section, in awarding grants under this subpart, NIFA will give priority to projects that:

(1) Maximize the share of funds used for direct incentives to participants;

(2) Use direct-to-consumer sales marketing;

(3) Demonstrate a track record of designing and implementing successful nutrition incentive programs that connect low-income consumers and agricultural producers;

(4) Provide locally or regionally produced fruits and vegetables;

(5) Are located in underserved communities; or

(6) Address other criteria as established by NIFA and included in the requests for applications.

(b) Exception. The priorities in paragraph (a) of this section that are given by NIFA will depend on the project type identified in § 3430.1104. Applicants should refer to the requests for applications to determine which priorities will be given to which project types.

Done at Washington, D.C., this 16th day of October, 2015.

Robert E. Holland,
Associate Director for Operations,
National Institute of Food and Agriculture.

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